

Landings WH Partners, LLC

April 22, 2013

Dear Commissioners & Deric:

I understand that the Commission will address the Landings situation at the Commission meeting on April 22, 2013. I wanted to provide you with some thoughts to consider in advance of this meeting. As you know, I have enjoyed very much my dealings in Winter Haven and want to now, as I always have, do what is fair. I feel certain we can reach a fair resolution to this.

While it is unfortunate that we have come to this, I understand that the City may want to pause and revisit exactly what the citizens want to happen at Chain O'Lakes. It appears there are many who want a commercial retail job and tax-generating development but others who want it to remain a public recreation facility. I understand the City's concern that it should be up to the citizens and community leaders to decide the best use of the City's property.

At the same time, and as you know, our company has devoted many years of hard work and have invested several million dollars on this project based on the contract with the City to develop this property. And, please consider that much of this time and effort was spent promoting the benefits of Winter Haven to quality merchants for the Landings. The good news is that we have recruited and found major retailers, restaurants, hoteliers, etc. that DO want to come to Winter Haven and are excited about this area. The bad news is, these businesses need a firm commitment that the City wants them at the Chain O'Lakes site.

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I would like to submit for consideration a fair solution using sound business logic, rather than a lengthy and costly legal battle.

There are three major components to this fair solution:

1. **Property Improvements**: The existing contract uses a value of \$215,000 per acre. Since we executed the contract with the city, we have spent millions of dollars improving the value of the property. The site is now fully entitled, contains a PUD, a CRA, etc. Further, the validity of the site for commercial development has been demonstrated by three world-class restaurants that are exceeding expectations. Now that the site is fully entitled and validated commercially, the value has grown significantly. As an example, the Vigoro property across the street was recently appraised by an independent third party appraiser at over \$350,000 per acre. This property is also fully entitled with a PUD, etc. If you use the appraised value of the Vigoro site, the value of the remaining Chain 'O Lakes property (approximately 50 developable acres) has increased by approximately \$6,750,000. While you may choose not to develop the site (or only a portion of it), if you do, it will have significantly higher value based on our hard work.
2. **Cost Savings**: The City can experience three major cost savings should the City acquire the contract.
 - a. City staff has estimated the City will save approximately \$18 million by renovating the current pool, athletic center and theater at their current location vs. moving them offsite as contemplated in our contract.

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- b. The City Construction Fund for 2012-2013 contemplates spending \$6.5 million to relocate the ball fields and landscape facility to another site as required under our contract.
 - c. The City's cost of litigation will be significant, will impair the Chain 'O Lakes site indefinitely, and keep the Commission and staff off focus for years. Further, this very public litigation will be a black eye for future development in the City.
3. **Expenditures**: Should the City determine that it is in its best interest to purchase the Landings contract, which would include the purchase of around \$2 million of intellectual property, roads, utilities, site plans, engineering, traffic studies, etc. it is only fair that the Landings receive something for their time and effort to increase the value of the Chain 'O Lakes property. To date, Landings WH Partners, has received no income from the development and has several million dollars invested towards the next phases of the development.

In summary, should the City determine that it would like to purchase the Landings contract, there is a possibility that the City would enjoy the following benefits:

- 1. Save up to \$24.5 million by leaving the facilities and baseball on site.
- 2. Control property with significantly higher value based on our efforts.
- 3. Gain approximately \$2 million of development assets including traffic studies, surveys, engineering, site plans, geotechnical surveys, roads, utilities, etc.
- 4. Avoid out-of-control costly litigation and negative image for Winter Haven public relations.

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5. Have the opportunity to let the residents have input and shape the future of the Chain of Lakes property.

Of course, the Commission will determine the outcome. It seems to me that we have three options:

1. Continue with the Landings development as per our contract, with necessary adjustments caused by the City's wrongful termination.
2. The Commission can purchase the Landings contract which would include all intellectual property and physical assets for a fair value considering our investment in time and money. Deric and I have been discussing a fair buy-out amount which will include our costs, time invested and legal fees.
3. Litigation. This option will stall the development and run up costly litigation costs against Landings WH Partners, LLC. While this is not our intent at all, we are prepared to move forward with this option if forced. As I said in my talk to the Commission a few weeks ago, I cannot afford to walk away from millions of dollars of investment.

Please know that we seek resolution to this matter and I will be available to you or any other person granted authority to see that this gets resolved. Thank you for your time and consideration.

Very truly yours,

Taylor Pursell